Douglas E. Bowers Executive Editor

For this issue: Rick Reeder Issue Editor

Samuel D. Calhoun Graphic Assistance

Lindsay R. Mann Managing Editor

Anne E. Pearl Layout Design Rural Conditions and Trends is published three times a year by USDA's Economic Research Service (ERS). For subscription information, call ERS-NASS at 1-800-999-6779.

Rural Conditions and Trends welcomes letters to the editor as well as ideas for articles. Address editorial correspondence and inquiries to Editor, Rural Conditions and Trends, Room 2171, 1800 M Street, NW, Washington, DC 20036-5831 (telephone 202-694-5398, fax 202-694-5661).

The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of public business required by law of the Department.

Contents of this journal may be reprinted without permission, but the editors would appreciate acknowledgment of such use and an advance copy of the material to be reprinted. Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, religion, age, disability, political beliefs, gender, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410, or call 202-720-5964 (voice or TDD). USDA is an equal employment opportunity provider and employer.

Rural Conditions and Trends is printed on recycled paper using soy-based ink.

Rural Conditions and Trends

1998, Volume 9, No. 1

4 Overview

Deficit Reduction Measure Ushers in Tax Cuts Plus New Aid for Low-Income Populations in 1998

9 General Assistance

Some New Initiatives Add to an Overall Stable Group of General Assistance Programs

15 Infrastructure Assistance

Transportation Programs Received Largest Funding Increases

20 Business Assistance

Strong Economy Energizes Commitment to Target Funding to Underserved

25 Housing Assistance

Federal Housing Assistance Promotes Homeownership

32 Welfare Reform Followup

New Welfare-to-Work Program Helps Adjustment to Welfare Reform

37 Rural Development Mission

The Changing Face of Rural Development Assistance in USDA

48 Tax Policy

The Taxpayer Relief Act of 1997 Provides Significant Tax Relief to Rural America

53 Regulatory Policy

Slowly Evolving Regulatory Changes Could Significantly Affect Rural Development

59 Appendix A

Rural Share of Selected Programs

61 Appendix B

Data Sources and Definitions